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25 *Caption continued on next page.*

26  
27  
28

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

IN RE GOOGLE PLAY STORE ANTITRUST  
LITIGATION

THIS DOCUMENT RELATES TO:

*Epic Games Inc. v. Google LLC et al.*,  
Case No. 3:20-cv-05671-JD

*In re Google Play Consumer Antitrust  
Litigation*, Case No. 3:20-cv-05761-JD

*State of Utah et al. v. Google LLC et al.*,  
Case No. 3:21-cv-05227-JD

*Match Group, LLC, et al. v. Google LLC, et al.*,  
Case No. 3:22-cv-02746-JD

Case No. 3:21-md-02981-JD

**PLAINTIFFS' NOTICE OF MOTION AND  
MOTION TO BIFURCATE DEFENDANTS'  
COUNTERCLAIMS AGAINST EPIC AND  
MATCH**

Judge: Hon. James Donato

Date: August 31, 2023

Time: 10:00 a.m.

Courtroom: 11

**NOTICE OF MOTION TO ALL PARTIES HEREIN  
AND THEIR COUNSEL OF RECORD:**

3       **PLEASE TAKE NOTICE** that on August 31, 2023, at 10:00 a.m., in Courtroom 11 of the  
4 above-entitled Court, located on the 19th floor of 450 Golden Gate Avenue, San Francisco,  
5 California 94102, before the Honorable James Donato, under Federal Rule of Civil Procedure 42(b),  
6 Plaintiffs will and hereby do move to bifurcate Google’s Counterclaims against Epic and Match,<sup>1</sup>  
7 such that Google’s Counterclaims should be tried separately, to the same jury, immediately  
8 following the trial on the common antitrust issues. This Motion to Bifurcate is based on this Notice  
9 of Motion and Motion, Memorandum of Points and Authorities, the Declaration of Karma M.  
10 Giulianelli and accompanying exhibits, and such other matters as may be presented to the Court at  
11 the time of or before the hearing.

## RELIEF SOUGHT

13 Plaintiffs respectfully request that the Court bifurcate the trial of Plaintiffs' antitrust claims  
14 from Google's Counterclaims against Epic and Match and order that, should Google's Counterclaims  
15 remain viable after the verdict on the antitrust claims, they will be tried to the same jury in a second  
16 phase against Epic and Match only.

<sup>27</sup> 1 The term “Match” includes only the entities named as plaintiffs in Case No. 3:22-cv-02746-JD  
28 (N.D. Cal.).

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1     **I. INTRODUCTION**

2     The Plaintiffs—39 State Attorneys General, Consumer Plaintiffs, and two major app  
 3 developers—filed these lawsuits to put an end to Google’s more than decade-long anticompetitive  
 4 conduct that has foreclosed competition in Android app distribution and in-app payment services.  
 5 All Plaintiffs raise similar claims under Sections 1 and 2 of the Sherman Act and under California  
 6 law. The States are also pursuing an array of state-law antitrust and consumer protection claims. All  
 7 Plaintiffs seek injunctive relief. And all but Epic seek treble damages. The gravamen of all Plaintiffs’  
 8 claims is Google’s unlawful foreclosure of competition and the harm Google has caused to millions  
 9 of consumers, as well as to developers such as Epic and Match.

10    Google has filed counterclaims against Epic and Match alleging that they intentionally  
 11 breached contracts with Google, acted in bad faith, and owe Google damages. These counterclaims  
 12 are specific to Google’s business relationships with Epic and Match. They have nothing to do with  
 13 the States or Consumer Plaintiffs. The Court has ruled, and Plaintiffs agree, that a consolidated trial  
 14 on common antitrust issues is the best approach for efficiently resolving this case. The issues raised  
 15 in the counterclaims, however, are not common; some are unique to Epic; others are unique to Match;  
 16 and none have any relevance to the claims of the States or Consumer Plaintiffs.

17    Allowing Google to try its Epic-and-Match-specific counterclaims together with the common  
 18 antitrust claims challenging Google’s anticompetitive conduct would unduly prejudice the States and  
 19 Consumer Plaintiffs, whose claims may be tainted in the jury’s eyes by Google’s allegations of bad  
 20 faith conduct by Epic and Match. Even if the jury can separate the allegations against Epic and Match  
 21 from the issues relevant to the core antitrust claims, presentation of the counterclaims will  
 22 significantly distract the jury from the primary issue in this case—whether Google’s conduct is  
 23 anticompetitive. By contrast, Google will suffer no prejudice if the counterclaims are tried separately.

24    Bifurcation will also promote judicial economy. Resolution of the common issues in the first  
 25 trial could potentially moot Google’s counterclaims. And if the counterclaims do survive the antitrust  
 26 trial, resolution of the common issues will have mooted a central defense relied on by Epic and  
 27 Match, leaving little evidentiary overlap for the second phase of the trial, where the same jury would  
 28 hear the claims with the full benefit of the background and context provided by the antitrust trial.

1        This is an important, cutting-edge antitrust case. It should not be burdened with (let alone  
 2 decided on the basis of) Google’s allegations of bad conduct by only one or two of the four Plaintiff  
 3 groups. Google’s counterclaims should be tried separately, to the same jury, immediately following  
 4 the trial on the common antitrust issues.

5 **II. RELEVANT BACKGROUND**

6 **A. PLAINTIFFS’ COMMON ANTITRUST CLAIMS**

7        Plaintiffs’ federal antitrust and California-law claims, as well as the other state-law antitrust  
 8 claims, turn on complex questions of market definition, Google’s monopoly power, and the  
 9 complicated web of anticompetitive contractual and technological restrictions Google has imposed  
 10 for over a decade, including its anticompetitive tie of Google Play Billing to the in-app sales of digital  
 11 goods. Among other things, Plaintiffs will introduce evidence at trial that Google unlawfully:

- 12        • entered into agreements with carriers, original equipment manufacturers (“OEMs”), and  
 13        developers that foreclosed competing app stores from the Android app distribution  
 14        market. (*See, e.g.*, Dkt. 378 ¶¶ 63, 91–92, 124–126, 181–184, 190–192; Dkt. 380 ¶¶ 91–  
 15        101, 102–106, 127–128; Dkt. 172 ¶¶ 112–130, 144–154; Case No. 3:21-cv-05227-JD,  
 16        Dkt. 188 ¶¶ 105–106, 107–110, 116–129, 162–167.)
- 17        • entered into (i) agreements with would-be competitors to prevent them from entering into  
 18        the Android app distribution market, and (ii) agreements to prevent developers from  
 19        offering their apps via distribution channels other than Google Play. (Dkt. 378 ¶¶ 119–  
 20        121, 128, 198–202; Dkt. 380 ¶¶ 112–114, 273–277, 283–287; Dkt. 172 ¶¶ 89–91; Case  
 21        No. 3:21-cv-05227-JD, Dkt. 188 ¶¶ 135–153.)
- 22        • imposed technological roadblocks to prevent developers from offering, and consumers  
 23        from downloading, Android apps from sources other than Google Play, including direct  
 24        downloads from websites (*i.e.*, sideloading). (Dkt. 378 ¶¶ 101, 129–138; Dkt. 380 ¶¶ 121–  
 25        124; Dkt. 172 ¶¶ 155–168; Case No. 3:21-cv-05227-JD, Dkt. 188 ¶¶ 83–04.)
- 26        • exploited its monopoly power by requiring app developers to use Google’s payment  
 27        system (Google Play Billing) for in-app purchases of digital products and charging  
 28        supracompetitive fees for those transactions. (Dkt. 378 ¶¶ 145–147; Dkt. 380 ¶¶ 80, 163,  
 29        212; Dkt. 172 ¶¶ 4, 14–15; Case No. 3:21-cv-05227-JD, Dkt. 188 ¶¶ 191–197, 211–228.)

30        Proving these common claims will require substantial fact and expert testimony from both  
 31        sides. The jury will also be required to consider numerous documents—contracts, internal decks,  
 32        email correspondence, existing Chats, and so on.

## B. GOOGLE'S COUNTERCLAIMS

Google brought counterclaims against only Epic and Match for (i) breach of contract; (ii) breach of the implied covenant of good faith and fair dealing; (iii) quasi-contract/unjust enrichment; and (iv) declaratory judgment. (Dkt. 386 ¶¶ 50–74; Dkt. 388-1 ¶¶ 55–67, 77–86.) Google also alleges a false promise claim against Match. (Dkt. 388-1 ¶¶ 68–76.)

6 The core of these counterclaims is Google’s assertion that Epic and Match employed bad-  
7 faith business tactics in their dealings with Google and broke their contractual promises. (Dkt. 386  
8 ¶¶ 53–57; Dkt. 388-1 ¶¶ 58–59.) As to Epic, Google alleges that Epic engaged in a bad-faith and  
9 “highly choreographed attack” against Google through which Epic offered users of its popular  
10 *Fortnite* app an alternative payment method to Google Play Billing for in-app purchases, in violation  
11 of its contracts with Google. (Dkt. 386 ¶¶ 32, 36-37, 44-45.) With respect to Match, Google claims  
12 that, over many years, Match “continuously misled Google, intentionally and in bad faith,” about  
13 their intention to integrate Google Play Billing into their apps, before ultimately choosing not to  
14 integrate the platform. (Dkt. 388-1 ¶¶ 44-52.) As explained in Section IV below, Google’s  
15 accusations of bad faith dealings and its breach of contract claims against Epic and Match, and the  
16 evidence underlying them, have no place in an antitrust case tried by Plaintiffs with common claims,  
17 including a bipartisan coalition of 39 State Attorneys General.

### III. LEGAL STANDARD

19 “Courts have broad discretion under Federal Rule of Civil Procedure [] 42(b) to bifurcate and  
20 stay counterclaims.” *Fitbit, Inc. v. Aliphcom*, 2016 WL 7888033, at \*1 (N.D. Cal. May 27, 2016);  
21 *De Anda v. City of Long Beach*, 7 F.3d 1418, 1421 (9th Cir. 1993) (“A district court’s decision to  
22 order separate trials may be set aside only for an abuse of discretion”); *In re Paris Air Crash of Mar.*  
23 3, 1974, 69 F.R.D. 310, 319-20 (C.D. Cal. 1975) (“Rule 42(b) is sweeping in its terms and allows  
24 the court, in its discretion, to grant a separate trial of any kind of issue in any kind of case.”). The  
25 Court may order separate trials “[f]or convenience, to avoid prejudice, or to expedite and  
26 economize.” Fed. R. Civ. P. 42(b). The presence of “any one is sufficient to sustain an order for a  
27 separate trial.” *J. B. v. G6 Hosp., LLC*, 2021 WL 6621068, at \*2 (N.D. Cal. Dec. 16, 2021); *see also*

1 *Gen. Patent Corp. Int'l v. Hayes Microcomputer Prods. Inc.*, 1997 WL 770874, at \*1 (C.D. Cal. Oct.  
 2 20, 1997) (“[B]ifurcation may be proper upon a showing of any of these factors.”).

3 **IV. ARGUMENT**

4 **A. BIFURCATION IS NECESSARY TO AVOID UNDUE PREJUDICE TO THE  
 5 STATES AND CONSUMERS<sup>2</sup>**

6 Google’s counterclaims against Epic and Match have nothing to do with the States’ and  
 7 Consumer Plaintiffs’ cases against Google. Trying Google’s counterclaims against Epic and Match  
 8 at the same time as the core antitrust claims will substantially prejudice the States and Consumer  
 9 Plaintiffs and risk needless juror confusion.

10 Under Federal Rule of Civil Procedure 42(b), bifurcation is proper “where evidence  
 11 admissible only on a certain issue may prejudice a party in the minds of the jury on other issues.” *In*  
 12 *re Paris Air Crash of Mar. 3, 1974*, 69 F.R.D. at 320 (quoting 9 Charles Alan Wright & Arthur R.  
 13 Miller, *Federal Practice and Procedure* § 2388). That is exactly the risk present here. Plaintiffs  
 14 anticipate that Google will try to paint Epic and Match as bad actors in an attempt to distract and  
 15 confuse the jury about the merits of Plaintiffs’ common antitrust claims. This strategy is evident from  
 16 Google’s pleadings.

17 With respect to Epic, Google alleges that Epic tricked Google into allowing *Fortnite* to launch  
 18 on Google Play, while simultaneously “working for months on a way to conceal Epic’s payment  
 19 system in an update” to its *Fortnite* apps distributed through Google Play that would allow users to  
 20 use an alternative payment solution instead of Google Play Billing. (Dkt. 111 ¶¶ 34, 36-37.) Plaintiffs  
 21 expect Google will attempt to prove to the jury that Epic engaged in what Google characterizes as a  
 22 deceitful publicity stunt. According to Google, in August 2019, Epic [REDACTED]

23 [REDACTED]  
 24 [REDACTED] .” ([REDACTED] Tr. 399:14-18; DX0017.) Google [REDACTED]  
 25 [REDACTED]. (*Id.* 399:23-400:9.) Epic subsequently contacted [REDACTED]

27  
 28 <sup>2</sup> For the avoidance of doubt, Epic agrees that the inclusion at trial of Google’s counterclaims  
 against Epic and Match would unduly prejudice the States and Consumer Plaintiffs, but does not  
 claim any such prejudice to Epic itself.

1 Google in late 2019 to say it [REDACTED]  
 2 [REDACTED].” (*Id.* 314:12-13.) But [REDACTED]  
 3 [REDACTED]. (*Id.* 315:4-15.) Epic  
 4 [REDACTED]  
 5 [REDACTED]. (*Id.* 405:4-7.) Google alleges that Epic [REDACTED]  
 6 [REDACTED].” (DX0018; [REDACTED] Tr. 407:17-20.) For the next  
 7 two weeks, Google says that [REDACTED]  
 8 [REDACTED]. (*Id.* 413:5-19.) Epic launched a  
 9 compliant version in April 2020. (Dkt. 386 ¶ 36.) But, according to Google, Epic had already been  
 10 secretly planning to bypass Google’s requirement that Epic use only Google Play Billing to process  
 11 in-app transactions through a “hotfix”—in violation of its agreements with Google. (*Id.* ¶¶ 32, 34,  
 12 37.) And, to make matters worse, Google says, Epic retained “a public relations firm to further this  
 13 scheme . . . by creating a narrative that Epic is benevolent.” (*Id.* 386 ¶¶ 32, 34, 36, 39.) Google will  
 14 further argue that, in reality, Epic’s goal was to earn “tremendous monetary gain and wealth” by  
 15 consciously bypassing Google Play Billing. (*Id.* 386 ¶ 32.)

16 Google similarly claims that Match “continuously misled Google, intentionally and in bad  
 17 faith” with respect to their intention to use Google Play Billing, and that the “Match Group’s financial  
 18 success has . . . resulted from a long history of deceptive and unfair business practices.” (Dkt. 387  
 19 ¶¶ 37, 39, 44.) If Google’s claims survive Match’s pending motion for summary judgment, Google  
 20 will similarly spend hours at trial trying to spin the narrative that Match was required to comply with  
 21 the Payments Policy provision long before March 31, 2022, and that Google’s policy change was not  
 22 a modification of its policies with respect to Match, but was a continuation of its Payments Policy.  
 23 (Dkt. 507-1 at 11–14.) While Google’s modification of its Payments Policy to require the use of  
 24 Google Play Billing for *all* in-app transactions of digital goods will be at issue in the core antitrust  
 25 trial, whether Match breached its agreements with Google turns on (as set forth in the Match-specific  
 26 summary judgment briefing) complex questions of contract modification, waiver, consent,  
 27 consideration, rescission, causation, and damages. (See Dkt. 488-1 at 11–15; Dkt. 507-1 at 11–16;  
 28 Dkt. 528-1 at 3–8.) Again, these accusations of deception and complex contractual questions have

1 nothing to do with the core antitrust claims—which are the *only* claims relevant to the States and  
 2 Consumers.

3 Phasing the counterclaims is therefore necessary to mitigate the undue prejudice the States  
 4 and Consumer Plaintiffs would otherwise suffer from being associated with allegations of  
 5 wrongdoing that have nothing to do with them. The claims against Epic and Match are incendiary  
 6 enough that there is a risk the jury will not separate the States and Consumer Plaintiffs—as to whom  
 7 there are *no allegations of bad faith*—from the other Plaintiffs. Courts routinely bifurcate claims to  
 8 avoid the “spillover” effect of prejudice by association. *See, e.g., Payan v. County of Los Angeles*,  
 9 2015 WL 9694810, at \*2 (C.D. Cal. Mar. 11, 2015); *Cangress v. City of Los Angeles*, 2015 WL  
 10 12661920, at \*9 (C.D. Cal. Jan. 20, 2015); *Donato v. Fitzgibbons*, 172 F.R.D. 75, 85 (S.D.N.Y.  
 11 1997); *Sound Video Unlimited, Inc. v. Video Shack Inc.*, 700 F. Supp. 127, 146 (S.D.N.Y. 1988).  
 12 Indeed, failing to bifurcate to prevent the introduction of “unduly prejudicial evidence” can constitute  
 13 reversible error. *See, e.g., Est. of Diaz v. City of Anaheim*, 840 F.3d 592, 603 (9th Cir. 2016).

14 Here, the need for bifurcation is particularly great, given the States’ sovereign interest in  
 15 protecting the citizens they represent from illegal anticompetitive conduct. The inclusion of  
 16 provocative counterclaims that have nothing to do with the States or Consumer Plaintiffs risks  
 17 villainizing these Plaintiffs in the minds of the jury and undermining the States’ fundamental,  
 18 sovereign interests in bringing this action. *See Int’l Mort. & Inv. Corp. v. Von Clemm*, 301 F.2d 857,  
 19 862 (2d Cir. 1962) (describing the “policy of not encumbering government antitrust suits with a  
 20 multitude of collateral issues and of assuring to the government full control of the prosecution and  
 21 settlement of such public antitrust actions”); *In re Am. Express Anti-Steering Rules Antitrust Litig.*,  
 22 2014 WL 558759, at \*2 (E.D.N.Y. Feb. 11, 2014) (denying motion to consolidate enforcement trial  
 23 with private actions so as to “avoid[] prolonging and confusing the Government’s case with collateral  
 24 side issues”).

25

26

27

28

**B. BIFURCATION IS NECESSARY TO AVOID JUROR CONFUSION IN THIS  
ALREADY COMPLEX CASE**

3 The “complexity of issues” and the need to minimize the “risk of jury confusion” also  
4 strongly militate in favor of bifurcation. *SanDisk Corp. v. STMicroelectronics Inc.*, 2009 WL  
5 1404689, at \*2 (N.D. Cal. May 19, 2009).

## 1. The Core Antitrust Claims Are Already Complex

7 The factual complexity of this case is undisputed and strongly favors bifurcation. As Google  
8 has acknowledged, this will be a “complex, high-stakes, and high-cost trial.” (Dkt. 467 at 3; *see also*  
9 *id.* at 8, 9, 15; Dkt. 475 at 3 n.2 (noting “the complex MDL at hand”).) Google’s conduct at issue is  
10 wide ranging in scope and time, spanning over a decade and involving a complicated web of  
11 agreements and business strategies, including numerous types of anticompetitive contracts and  
12 projects, *e.g.*, Google’s Project Hug, Games Velocity Program, App Velocity Program, Project  
13 Banyan, and Project Everest, to name only a few. The conduct at issue involved and affected many  
14 entities and individuals, including carriers, OEMs, app store competitors or would-be competitors,  
15 thousands of Android app developers, and billions of consumers. (*See* Section II.A, *supra*.) To render  
16 a verdict, the jury will need to understand this conduct, the multitude of contractual arrangements  
17 supporting it, and a variety of technologies, including mobile operating systems, mobile applications,  
18 app distribution methods, and payment solution services.

19 The legal issues common to all Plaintiffs are also complicated. The jury will need to grapple  
20 with competing market definitions; the extraordinarily complex burden-shifting rule of reason  
21 analysis; *per se* determinations that Google says involve “complex business arrangements,” (Dkt.  
22 523 at 7); and dueling expert opinions on complicated subjects including economics, anticompetitive  
23 effects, consumer behavior, technology, accounting, and damages.

24 Bifurcation would streamline the evidence and simplify the law and instructions for the jury.  
25 The jury instructions on the common issues alone—spanning dozens of federal and state-law antitrust  
26 claims, as well as state-law consumer protection claims—will “require[e] the jury to appreciate  
27 technical legal circumscriptions.” *Payan*, 2015 WL 9694810, at \*2. Adding instructions on the  
28 counterclaims would be “needlessly complex.” *Id.* “It is difficult to expect the jury to understand the

1 subtle differences between several claims when they are faced with such lengthy instructions.  
2 Therefore, bifurcation is necessary to avoid possible prejudice and evidentiary spillover.” *Id.*

3 Courts routinely bifurcate antitrust and ancillary claims to simplify the issues for the jury. For  
4 example, the Ninth Circuit has found bifurcation of a “copyright infringement claim and . . . antitrust  
5 claims” appropriate to avoid “the jury . . . muddl[ing] the two.” *Triad Sys. Corp. v. Se. Exp. Co.*, 64  
6 F.3d 1330, 1338 (9th Cir. 1995), *superseded by statute on other grounds*, 17 U.S.C. § 117(c). Other  
7 examples abound. *See, e.g., Winchester Drive-In Theatre, Inc.*, 35 F.R.D. 141, 143–44 (N.D. Cal.  
8 1964) (“There are compelling reasons for granting a separate trial in this case. . . . The complicated  
9 nature of the proof in an antitrust case in general, the prior history of this particular case, the variety  
10 of distribution practices in the motion picture industry, and the multiple parties and cross claims  
11 indicate that the proof on the antitrust issues will be voluminous and complex. . . . It would be  
12 confusing to a jury to have to separate the evidence relating to the release and settlement issues from  
13 the evidence relating to the antitrust issues. The Court would have to give the jury a complicated set  
14 of instructions providing for several possible verdicts.”); *SCFC ILC, Inc. v. Visa U.S.A. Inc.*, 801 F.  
15 Supp. 517, 529 (D. Utah 1992) (“By bifurcating the trial the court will insure a fair, unprejudiced  
16 decision on the merits of the antitrust dispute without the complications and confusion which could  
17 arise from the other claims and [fraud and bad faith] counterclaims.”); *Broad. Music, Inc. v. Columbia Broad. Sys., Inc.*, 55 F.R.D. 292, 297 (S.D.N.Y. 1972) (“The antitrust claim should be tried  
18 separately,” in part, “because trial of the antitrust claim will involve proof of different facts than trial  
19 of the contract and fraud counts.”); *U.S. Gypsum Co. v. Nat'l Gypsum Co.*, 1994 WL 74989, at \*2  
20 (N.D. Ill. Mar. 10, 1994) (“[B]ifurcation of the quite complex, and at this point, contingent, antitrust  
21 trial from the patent issues, in accordance with the general practice, best serves the interests of justice  
22 in this case.”).

## 2. Bifurcation Is Necessary to Avoid Juror Confusion

25 Bifurcation “will also help prevent juror confusion at trial by allowing the jury to decide  
26 issues that are as narrowly tailored as possible.” *Gable v. Land Rover N. Am., Inc.*, 2011 WL  
27 3563097, at \*7 (C.D. Cal. July 25, 2011). Trying Plaintiffs’ claims with Google’s counterclaims risks  
28 the jury “blur[ring] the distinction between legitimate [contract] enforcement and the exercise of

1 ‘unlawful’ monopolistic powers.” *Fitbit*, 2016 WL 7888033, at \*2. Courts routinely bifurcate claims  
 2 where one claim may cause the jury to blur the distinct legal and factual issues presented by the  
 3 separate claims. *See, e.g., id.* (ordering bifurcation on this basis); *see also Broad. Music, Inc.*, 55  
 4 F.R.D. at 297 (“[T]rial of the antitrust claim will involve proof of different facts than trial of the  
 5 contract and fraud counts.”).

6 Google’s counterclaims against Epic and Match directly implicate this risk. For example,  
 7 Google alleges that Epic and Match breached Google’s Payment Policy. Determining whether those  
 8 Plaintiffs breached the specific contracts they signed involves applying the policy to the specific  
 9 allegedly breaching conduct. Plaintiffs, on the other hand, allege that the policy is an illegal tie that  
 10 is unlawful in all contexts. The analysis of Google’s counterclaims about whether Epic and Match  
 11 breached their agreements with Google is considerably less difficult than the complex antitrust  
 12 analysis the jury must undertake to understand the economic issues, informed by expert evidence,  
 13 about whether Google’s policy is an illegal tie.

14 Similarly, Google alleges that Epic and Match breached Google’s Developer Distribution  
 15 Agreement (“DDA”), which is one of the agreements Plaintiffs allege contains anticompetitive  
 16 restraints. No one—not even Google—is claiming that Google’s liability under the antitrust laws  
 17 turns on whether Epic and Match breached Google’s Payments Policy or the DDA. These questions  
 18 require distinct analysis, and there is a serious risk that the jury will conflate the particularized  
 19 questions of whether Epic and Match violated Google’s Payments Policy or breached its DDA with  
 20 the common antitrust questions of whether Google’s policies and contracts are unlawful under the  
 21 antitrust laws. That risk of confusion could warrant bifurcation even in a trial involving Epic and  
 22 Match alone. But the risk is magnified here because, as noted, the question of whether Epic and  
 23 Match are liable to Google has ***no bearing at all*** on the cases the States and Consumer Plaintiffs are  
 24 prosecuting.

25 **3. Bifurcation Is Necessary to Streamline the Damages Presentation**

26 Trying Google’s counterclaims with the core antitrust claims would add the additional  
 27 complication of introducing two separate damages cases against Epic and Match—in addition to the  
 28 complex damages cases the States, Consumer Plaintiffs, and Match will already be presenting against

1 Google. Courts bifurcate liability from damages in cases much less complex than this one. *See, e.g.*,  
 2 *M2 Software, Inc. v. Madacy Entm't*, 421 F.3d 1073, 1088 (9th Cir. 2005) ("The district court had  
 3 broad discretion to try the liability phase first [before damages] and did not abuse its discretion in  
 4 bifurcating the trial."); *Gable*, 2011 WL 3563097, at \*7 (granting motion to bifurcate).

5 **4. Bifurcation Will Not Prejudice Google**

6 Bifurcation will not prejudice Google for several reasons.

7 *First*, Plaintiffs propose that the same jury should hear Google's counterclaims immediately  
 8 following the trial on the core antitrust claims. "[U]tilizing the same jury . . . eliminates any Seventh  
 9 Amendment concerns." *Fetzer v. Wal-Mart Stores, Inc.*, 2016 WL 6833912, at \*6 (N.D. Ill. Nov. 21,  
 10 2016); *see also Sallenger v. City of Springfield*, 2007 WL 2683794, at \*2 (C.D. Ill. Aug. 7, 2007);  
 11 *Cole v. Meeks*, 2019 WL 4677000, at \*5 (C.D. Ill. Sept. 25, 2019) ("Seventh Amendment rights were  
 12 not implicated since the trial was separated into two separate phases" before "the same jury.").

13 *Second*, the only affirmative defense that conceivably relates to Google's counterclaims is  
 14 unclean hands, which Google asserts against Epic and Match only. (*See* Dkt. Dkt. 388-1 at 27–29;  
 15 386 at 24–25.) But "'[u]nclean hands' has not been recognized as a defense to an antitrust action for  
 16 many years." *Memorex Corp. v. Int'l Bus. Machines Corp.*, 555 F.2d 1379, 1381 (9th Cir. 1977).  
 17 And even if it were a viable defense to an antitrust claim (which it is not), unclean hands is an  
 18 equitable defense that the Court—not the jury—will decide. *Starz Entm't, LLC v. Buena Vista*  
 19 *Television, Inc.*, 2008 WL 11336466, at \*2 (C.D. Cal. Oct. 20, 2008).

20 *Third*, as explained below, there is very little evidentiary overlap between Google's  
 21 counterclaims and the Plaintiffs' antitrust claims. (*See* Section IV.B.2, *infra*.) And Google will not  
 22 be prejudiced if some evidence relevant to its counterclaims is presented after the antitrust trial  
 23 because the same jury will decide both claims. In fact, Google would likely benefit during the  
 24 counterclaims trial because (i) the jury will already be familiar with the background, (ii) Google can  
 25 try the counterclaims in a focused way during its case-in-chief without having to defend against  
 26 antitrust claims, and (iii) there will be at most three parties participating in that phase of the trial  
 27 instead of five.

28

1           In short, bifurcation will avoid prejudicing Plaintiffs in multiple ways, and will not prejudice  
 2 Google. Bifurcation is appropriate for this reason alone.

3           **C.     BIFURCATION WOULD PROMOTE JUDICIAL ECONOMY**

4           Bifurcation will also promote judicial economy. Removing the counterclaims from the trial  
 5 on the core antitrust claims will help streamline the presentation of evidence. And resolution of the  
 6 antitrust claims could moot or significantly limit Google's counterclaims. Indeed, trying the antitrust  
 7 claims first could avoid a trial on Google's counterclaims altogether. Even if the counterclaims  
 8 remain viable after the antitrust trial, the counterclaim trial will not require duplication of resources  
 9 because the jury will already be familiar with the common evidence.

10          Bifurcation is warranted if the first trial may potentially moot or limit the remaining claims,  
 11 thereby "conserving judicial economy." *Fitbit*, 2016 WL 7888033, at \*2; *see also SCFC ILC, Inc.*,  
 12 801 F. Supp. at 528 ("Bifurcation will increase trial efficiency. There may be no need to hold the  
 13 second proceeding."). This factor strongly favors bifurcation.

14          First, if Plaintiffs prevail on antitrust liability, including their tying claims, Google's  
 15 counterclaims would fail as a matter of law and would not need to be tried to a jury, thereby  
 16 "preserving judicial economy" and "making the issues the jury must consider less complex." *Otsuka*  
 17 *Pharm. Co., Ltd. v. Apotex Corp.*, 143 F.Supp.3d 188, 197 (D.N.J. 2015). Google's claims for breach  
 18 of contract, breach of the implied covenant of good faith and fair dealing, and declaratory judgment  
 19 against Epic and Match all expressly depend on the existence of a "lawful," "valid," or "enforceable"  
 20 contract (*i.e.*, the DDA). (Dkt. 388-1 ¶¶ 56, 64, 69, 72, 86; Dkt. 386 ¶¶ 51, 61, 74.) Plaintiffs challenge  
 21 the relevant contract as an unlawful restraint of trade. (Case No. 3:21-cv-05227-JD, Dkt. 188 ¶¶ 276-  
 22 84.) Thus, if Plaintiffs prevail, the contract cannot be enforced as a matter of law. *See, e.g., Kaiser*  
 23 *Steel Corp. v. Mullins*, 455 U.S. 72, 77-82 (1982) (refusing to enforce a contract that violated the  
 24 Sherman Act because "illegal promises will not be enforced"). For that same reason, Google's quasi-  
 25 contract claims against Epic and Match would also fail as a matter of law. *See Owens v. Haslett*, 98  
 26 Cal. App. 2d 829, 833 (1950) (the law "precludes recovery on principles of quasicontract for benefits  
 27 conferred under an illegal bargain, as well as an action on the bargain itself").

28

1 Google's only remaining counterclaim—for false promise against Match—likewise depends  
 2 on an enforceable DDA. Google alleges Match obtained an extension of the deadline to comply with  
 3 Google's Payments Policy (part of the DDA) by falsely promising to comply. Google claims that  
 4 “[a]bsent that extension, Google could have enforced its policies on October 1, 2021” and collected  
 5 service fees from that date. (Dkt. 507-1 at 10, 22.) Google also alleges it [REDACTED]

6 [REDACTED]

7 [REDACTED].” (*Id.* at 20.) If the terms of Google's DDA and related Payments Policy are  
 8 found unlawful, then Match would have had no reason for making the alleged false promise, could  
 9 have continued using their own payment systems, and Google would be unable to prove reliance or  
 10 damages. *See Marentes v. State Farm Mut. Auto. Ins. Co.*, 224 F. Supp. 3d 891, 921 (N.D. Cal. 2016).

11 *Second*, even if Google is not found liable in the antitrust phase, such a judgment may  
 12 promote narrowing of the counterclaims and the streamlining of remaining issues. *See SCFC ILC,*  
 13 *Inc.*, 801 F. Supp. at 528 (“Even if there is a second proceeding the number of issues involved may  
 14 be reduced by the outcome of the first proceeding.”). Courts recognize that there are efficiencies  
 15 where a first trial is outcome determinative and thus “the need for the second trial is obviated,” and  
 16 even if not determinative of all the issues, can still serve to “facilitate[] settlement and a potential  
 17 narrowing of the issues for the second trial.” *Companion Prop. & Cas. Ins. Co. v. U.S. Bank Nat'l*  
 18 *Assoc.*, 2017 WL 3613874, at \*6 (D.S.C. Aug. 23, 2017). With respect to Google's counterclaims,  
 19 Epic's primary affirmative defense (and an important defense for Match) is that Google's contracts,  
 20 including its DDA, are unlawful. A finding of non-liability would therefore potentially moot those  
 21 defenses and provide the parties an opportunity to narrow what issues (if any) need to be resolved in  
 22 the second phase of trial.

23 *Third*, even if Google's counterclaims survive the antitrust trial, bifurcation would be  
 24 efficient. As explained in Section II *supra*, much of the evidence that Google will need to introduce  
 25 to prove its counterclaims has nothing to do with Plaintiffs' claims and involves distinct factual  
 26 issues. Google will likely argue that some evidence relevant to its counterclaims will also be  
 27 presented at the trial of Plaintiffs' claims. But any arguments concerning evidentiary overlap will  
 28 rest on a faulty premise; there is no need to present evidence twice under Plaintiffs' proposal, which

1 would have the *same* jury try Google's counterclaims against Epic and Match immediately following  
 2 the resolution of the common issues. Courts routinely permit juries "to consider testimony from the  
 3 first phase in their deliberations in the second phase." *Yanni v. City of Seattle*, 2005 WL 2180011, at  
 4 \*2 (W.D. Wash. Sept. 9, 2005); *see, e.g.*, Pretrial Order No. 135, *Hardeman v. Monsanto (In re*  
 5 *Roundup Prods. Liab. Litig.*), No. 16-md-02741-VC (N.D. Cal. Mar. 25, 2019) (instruction to the  
 6 jury to "consider the evidence from both phases in deciding the facts in Phase 2").

7 **V. CONCLUSION**

8 For the foregoing reasons, Plaintiffs respectfully request that the Court bifurcate the trial of  
 9 Plaintiffs' common antitrust claims from Google's counterclaims against Epic and Match and order  
 10 that, should Google's counterclaims remain viable after the verdict on the antitrust claims, they will  
 11 be tried to the same jury in a second phase against Epic and Match only.

12 DATED: July 27, 2023

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## **E-FILING ATTESTATION**

I, Douglas J. Dixon, am the ECF User whose ID and password are being used to file this document. In compliance with Civil Local Rule 5-1(h)(3), I hereby attest that each of the signatories identified above has concurred in this filing.

*/s/ Douglas J. Dixon*

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